



Economics and Statistics Administration

Overview

Mission Statement

The Economics and Statistics Administration (ESA) mission is to chronicle, understand and explain economic and societal change. Our goals are to:

- Help maintain a sound Federal statistical system that monitors and measures America's rapidly changing economic and social arrangements,
- Improve understanding of the key forces at work in the economy and the opportunities they create for improving the well-being of Americans,
- Develop new ways to disseminate information using the most advanced technologies, and
- Support the information and analytic needs of the Commerce Department, the Executive Branch, and the Congress.

Strategies and Activities

The United States enjoys the reputation of being the world's unrivaled economic information leader, due in part to the timely and accurate data and analyses produced by the Economics and Statistics Administration (ESA). Producing such vital measures as the decennial census, the gross domestic product, and the balance of payments, ESA provides economic and demographic information that dramatically impacts the decision making of the President, Congress and businesses, and affects the lives of all Americans.

ESA includes: ESA Headquarters, the Bureau of Economic Analysis, and the Bureau of the Census.

ESA headquarters (comprised of the Office of the Under Secretary, the Policy Support staff, and STAT-USA) has three main roles: 1) to provide management, financial analysis, and administrative support to all ESA agencies; 2) to provide economic policy analysis; and 3) to provide data dissemination services. The Office of the Under Secretary (including the Office of Administration) provides management, financial, and administrative services to ESA. Policy Support's staff economists conduct research on the factors contributing to U.S. industrial strength and the relationship between industry performance and economic growth, including recent major studies on the scope and economic impacts of electronic commerce. Data dissemination services are provided by STAT-USA, an easy to use, "one-stop shop" that provides a focal point for business, economic, and trade statistics. STAT-USA is a revolving fund account that requires no government funding.

The Bureau of Economic Analysis serves as the Nation's accountant, developing measures and systems for collecting and interpreting vast amounts of diverse data from government and private sources. BEA produces such widely used statistical measures as gross domestic

product (GDP), corporate profits, and balance of payments. (See the following section on the Bureau of Economic Analysis.)

The Bureau of the Census chronicles societal and demographic change. The Bureau fulfills the constitutionally mandated requirement to conduct a decennial census, and the Bureau collects a wide range of economic and demographic data. The data provided by the Bureau of the Census shape important policy decisions that help improve our Nation's social and economic conditions. (See the following section on the Bureau of the Census.)

Summary

ESA's staff and programs provide vital information, analysis, and advice to Commerce and other Executive Branch Departments, agencies, and officials. Many of the Nation's decisions are based upon the economic and demographic information the agency produces.



Bureau of the Census

Overview

Mission Statement

The Bureau of the Census' mission is to be the preeminent collector and provider of data about the people and economy of the United States. The goal is to provide the best mix of timeliness, relevancy, quality, and cost for the data collected and services provided. The data provided by the Bureau of the Census shape important policy decisions that help improve our Nation's social and economic conditions:

- Bureau of the Census data provide the basis for estimating gross domestic product and leading economic indicators.
- They determine the apportionment of Congressional seats, as mandated in the Constitution.
- They inform us about education, income, and health care coverage.
- They are used by national, State, and local governments to formulate policy.
- They are used by large corporations and local businesses to devise their domestic and global strategies.

The credibility, expertise, and high statistical standards of the Bureau of the Census routinely elicit response rates of 90-95 percent for household surveys and 80 percent for business surveys. This allows the Bureau of the Census to provide the most accurate and reliable information available.

Strategies and Activities

The Bureau of the Census has developed four bureau-wide strategies to achieve its mission. All goal-level strategies fall within one, or a combination, of these bureau-wide strategies:

- Valuing our employees
- Innovating in our work
- Responding to our customers
- Improving public cooperation

The Bureau of the Census' core business is conducting large-scale censuses and surveys. Consequently, the Bureau is organized according to the subjects covered by these censuses and surveys, primarily: Economic programs, Demographic programs, and the Decennial Census program.

ESA/Census Performance Goal 1: Provide accurate, timely and relevant demographic data

Rationale for Performance Goal:

Accurate measures of our Nation's demographic composition are critical to the efficient allocation of resources through political appropriation and private markets. The Bureau of the Census' Census 2000 determines voting districts and Congressional representation.

In large part, the success of the Bureau of the Census is measured by public trust in the quality of its data. The scope of Census' information collection activities is unmatched and not easily replicated. Although there is no lack of quick polling and national studies by firms with strong reputations, the foundation for most of these studies is Bureau of the Census data. The accuracy and scope of the Bureau of the Census data provide benchmarks against which to judge the accuracy of other surveys.

FY 1999 Performance

Measure 1.a:

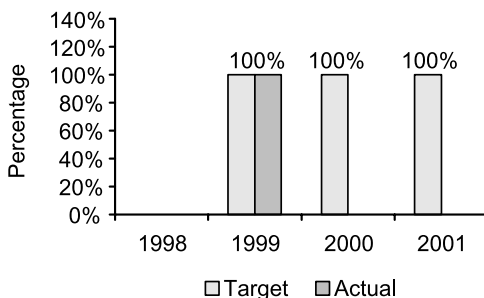
Percentage of household surveys attaining 100% of specified reliability measures

FY 1999 Target	100%
FY 1999 Actual	100%
Analysis	Target met

Data Validation and Verification

Data source:	Performance measure data on reliability is collected, calculated and assessed as the surveys are tabulated.
Frequency:	Performance measures are available at the time of a survey's public data release.
Data storage:	Survey performance data are in Census Bureau data bases and are published in public press releases and data reports (Source and Reliability Statements in every release).
Verification:	The Bureau maintains and adheres to methodological standards that are documented and reported publicly.
Comment:	Reliability measurements are a series of statistical measurements that define the precision of a survey; e.g., standard error, coefficient of variation, and sample design effect. The customer and the Census Bureau jointly determine reliability specifications before the survey is commissioned.

Percentage of household surveys/reliability

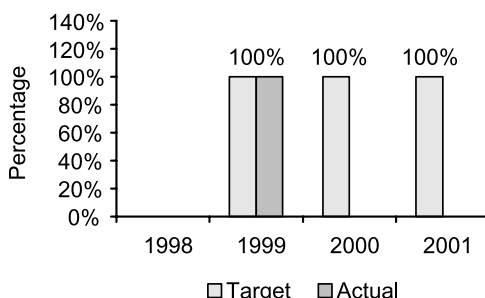


Measure 1.b:**Percentage of household surveys with initial response rates >90%**

FY 1999 Target	100%
FY 1999 Actual	100%
Analysis	Target met

Data Validation and Verification

Data source:	Response rates are monitored as the responses are collected in the field.
Frequency:	Performance measures are available at the time of a survey's public data release.
Data storage:	Survey performance data are in Census Bureau data bases and are published in public press releases and data reports (Source and Reliability Statements in every release).
Verification:	The Bureau maintains and adheres to methodological standards that are documented and reported publicly.
Comment:	Some household surveys are designed to follow respondents when they move to new locations. These "longitudinal design" surveys typically have response rates that decline below the 90% initial rate over time. These lower rates are reported when data are released. This measure excludes household expenditure surveys.

Percentage of household surveys/response**Measure 1.c:****Annual reduction from time of data collection to data release for selected household surveys**

FY 1999 Target	5%
FY 1999 Actual	9%
Analysis	Target exceeded

Data Validation and Verification

Data source:	Data collection dates are published in advance. These set the baseline for release dates.
Frequency:	As scheduled
Data storage:	Census Bureau databases and public data releases
Verification:	By comparison with past release dates. Official responses to customers will verify customer satisfaction.
Comment:	Many long-standing household surveys have reached optimal release times, e.g., the monthly Current Population and Housing Vacancy Surveys. This measure addresses newer surveys and survey supplements, such as the Survey Income and Program Participation and the Survey of Program Dynamics.

FY 1999 Program Evaluation for ESA/Census Performance Goal 1

No pertinent program evaluation studies were conducted in FY 1999 which supported the subject performance goal.

ESA/Census Performance Goal 2: Conduct an accurate, timely, relevant and cost-effective Decennial Census

FY 1999 Performance

Measure 2.a:

100% of legally mandated data releases made on schedule

FY 1999 Target	No legally mandated data releases scheduled in FY 1999.
FY 1999 Actual	Necessary data collection activities put in place in FY 1999.
Analysis	Substantially met schedule to make FY 2000 releases on time.

This performance measure consists of two Census 2000 completion milestones that the Bureau will report in the FY 2000 Annual Program Performance Report:

- Release state population totals for apportionment - 12/31/00
- Release tabulations for Congressional redistricting - 03/31/01

Data Validation and Verification

Data source: Data/evaluation release dates will be published in advance.
 Frequency: As scheduled
 Data storage: Public data releases and through public (Internet) access to the Bureau's Data Access and Dissemination System.
 Verification: By comparison with published schedule(s)

FY 1999 Program Evaluation for ESA/Census Performance Goal 2

No pertinent program evaluation studies were conducted in FY 1999 which supported the subject performance goal.



Bureau of Economic Analysis

Overview

Mission Statement

Reliable and consistent measures of economic activity are essential to the decision-making of business people and policymakers, and to the efficient operation of financial markets. The mission of Bureau of Economic Analysis (BEA) is to produce and disseminate accurate, timely, relevant, and cost-effective economic accounts statistics that provide government, businesses, households, and individuals with a comprehensive, up-to-date picture of economic activity.

As the Nation's accountant, BEA develops measures and systems for collecting and interpreting vast amounts of diverse data from government and private sources. BEA combines and transforms those data into a consistent and comprehensive picture of economic activity, which is summarized by the estimates of gross domestic product (GDP). BEA's national, regional, and international economic accounts form much of the core of the Federal statistical system, which in turn is critical to sound economic decisions by businesses, individuals, State and local governments, and Federal institutions, such as the Treasury Department and the Federal Reserve. These data provide many of the yardsticks by which the health and potential of the economy are judged. They affect every American who runs a business, saves for retirement, or takes out a mortgage. BEA data are also essential to the Federal government, providing information for policy development.

The major issue confronting BEA is the need to improve the accuracy and reliability of its economic accounts estimates. For example, there has been growing concern in the economic community over the "statistical discrepancy," i.e., the difference between GDP, as measured by final expenditures for the goods and services produced by the U.S. economy, and gross domestic income (GDI), an alternative output measure that is derived by totaling the costs incurred and the incomes earned in the production of those goods and services. The discrepancy between these measures, which in theory should be equal, calls into question the accuracy of BEA's estimates. BEA is pursuing many initiatives to improve the accuracy and reliability of its estimates, including working with the Bureau of the Census, the Bureau of Labor Statistics, and other source data agencies to provide comprehensive coverage of services and other new and rapidly expanding sectors of the U.S. economy.

Strategies and Activities

Changes in the economy, loss of key source data, the need to update existing source data, and other economic measurement problems are major factors that affect the accuracy and coverage of BEA's economic accounts. BEA is addressing these and other issues through its strategic plan, which contains specific milestones to maintain and improve the economic accounts by developing new and improved measures of output and prices, better measures of investment, saving, and wealth, and improved measures of international transactions. BEA has made significant progress in carrying out this plan, and new FY 2001 initiatives will make additional improvements in two areas. The first initiative will establish a program to capture and analyze data on the dramatic growth of E-Business and incorporate that data into the economic accounts. The second initiative will implement aggressive measures to improve the security of BEA's databases and guard against unauthorized intrusions that could corrupt the data.

ESA/BEA Performance Goal 3: Provide accurate economic data

Rationale for Performance Goal:

Accurate measures of our Nation's economic activity and demographic composition are critical to the efficient allocation of resources through political appropriation and private markets. Their impact can be seen in Federal budget projections, where the discrepancy in recent years between income- and product-side estimates of real GDP growth can result in a difference of \$150 billion in 5-year budget projections. Over \$115 billion in Federal grants to States are directly linked to BEA's estimates of regional income and product. In a recent private study, BEA's quarterly advance GDP data was named as one of the three most important statistical releases for its effect on financial markets.

In large part, the success of BEA is measured by public trust in the quality of its data. For example, economic reports on such variables as GDP, inflation, and personal income have an important influence on the formulation of consumer confidence and thus play a key role in consumers' expectations and buying plans.

FY 1999 Performance

Measure 3.a:

***Accuracy score (as determined by comprehensive evaluation system)
on a scale of 100***

FY 1999 Target	85
FY 1999 Actual	Pending
Analysis	Target not met. Measure has not been compiled because data is incomplete. Measure will be compiled in FY 2000.

Data Validation and Verification

Data source: Data to be evaluated are major aggregate estimates regularly produced and publicly released by BEA.

Frequency: Measures compiled annually.

Data storage: Estimates to be evaluated are publicly released by BEA and are available in news releases, in the Survey of Current Business, and on BEA's Internet site.

Verification: BEA's estimates are a matter of public record, and the methodology for evaluating the data will be made available.

Comment: Evaluation scheme will be applied to estimates of major aggregates in BEA's economic accounts to produce a numerical score (maximum = 100). Evaluation will take into account such factors as the reliability of the estimate in measuring the level, changes, and composition of economic activity. Although the measure will be evaluated by BEA, it will also serve as a performance measure/target for the economic census data group because their data collection procedures contribute to the ultimate success in attaining quality statistical measures.

FY 1999 Program Evaluation for ESA/BEA Performance Goal 3

No pertinent program evaluation studies were conducted in FY 1999 which supported the subject performance goal.

ESA/BEA Performance Goal 4: Provide timely and relevant economic data

Rationale for Performance Goal:

To meet the needs of its users, BEA must produce and disseminate timely and relevant data. No matter how high the quality of the estimate is, the data are of no use until they are available to the data users. Thus, BEA strives to release its estimates as soon as reasonably possible, to publish a schedule of future release dates, and to consistently meet that schedule. In addition, the usefulness of BEA's estimates depends on how well they meet the needs of the broad range of data users. Therefore, achieving a high level of customer satisfaction is an important measure of the success of BEA's programs.

Providing relevant economic data in a timely manner supports the Secretary's initiative to enhance the Nation's statistical infrastructure. It is vital that the most meaningful economic measures be promptly available to the business people, policymakers, and ordinary citizens who rely on them to make intelligent decisions.

FY 1999 Performance

Measure 4.a:

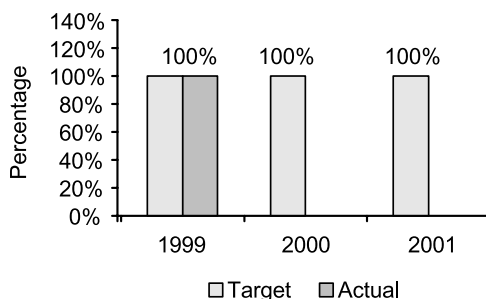
Percentage of scheduled releases issued on time

FY 1999 Target	100%
FY 1999 Actual	100%
Analysis	Target met

Data Validation and Verification

Data source:	Annual schedule of BEA release dates as published in the <u>Survey of Current Business</u> and BEA records of actual release dates.
Frequency:	Measure compiled annually; however, because releases are issued throughout the year, the measure can be evaluated at any time.
Data storage:	BEA's Current Business Analysis Division maintains a schedule of upcoming release dates and records of actual release dates. Both sets of information are publicly available on BEA's Internet site.
Verification:	Records of scheduled and actual release dates are a matter of public record.
Comment:	BEA's release schedule, covering about 50 releases in the coming calendar year, is made public each fall. It is available in the <u>Survey of Current Business</u> , in BEA releases, on the BEA web site, and by request. While BEA maintains this measure, the Census economic program affects the performance.

Percentage of scheduled releases issued on time



Measure 4.b:**Customer satisfaction – mean customer satisfaction rating
(on a scale of 1 to 5)**

FY 1999 Target	>4.0
FY 1999 Actual	NA
Analysis	Target substantially met based upon alternative customer-related data. BEA customer survey was not conducted in FY 1999 because of resource limitations resulting primarily from the demands of the comprehensive benchmark revision of the national income and product accounts, which was released in October 1999. A survey is planned for FY 2000; initial public notice has been published in the <i>Federal Register</i> .

Data Validation and Verification

Data source: BEA customer survey.

Frequency: To be determined.

Data storage: Survey will be conducted and results analyzed by BEA. Raw data and compilation of final results will be retained by BEA.

Verification: Survey results will be reported in BEA's monthly journal, the Survey of Current Business, and on BEA's Web site.

Comment: BEA is developing a customer survey, to be conducted in FY 2000, that will ask customers to evaluate such factors as the accessibility, timeliness, quality, and usefulness of BEA's products and services. In BEA's most recent customer survey (1995), 87 percent of respondents rated BEA's information services and data products in the two highest categories for overall satisfaction, resulting in a mean score of 4.1 on a 5-point scale. BEA continually strives to improve its products and services to meet the needs of its customers. The degree to which BEA meets those needs can be seen in the dramatic increase in activity on BEA's Web site – where the number of pages viewed and files downloaded was up almost 50 percent in 1999 from the previous year – and in the favorable comments from the economics profession and the press. For example, at a recent ceremony honoring BEA's national income and product accounts as the Commerce Department's "Achievement of the Century," Federal Reserve Board Chairman Alan Greenspan praised BEA's work. In addition, based on comment cards returned by customers who made purchases from BEA in FY 1999, nearly 70 percent rated their experience with BEA as excellent.

FY 1999 Program Evaluation for ESA/BEA Performance Goal 4

No pertinent program evaluation studies were conducted in FY 1999 which supported the subject performance goal.